

**STATE OF TEXAS
WAIVER MODIFICATION REQUEST
WORKFORCE INVESTMENT ACT**

Local Activity Funds

Statutory and Regulatory Provisions To Be Waived

The Texas Workforce Commission (TWC) requests a modification of its approved Local Activity Funds waiver (*See Attachment 1*). On August 19, 2003, the Department of Labor (DOL) granted TWC a waiver from the provisions of the Workforce Investment Act (WIA), Sections 129 (Use of Funds for Youth Activities) and 134 (Use of Funds for Employment and Training Activities), and from the provisions of 20 C.F.R. §663.145 and §664.410.

To meet the changing and emergent needs of Texas employers, incumbent workers, job seekers, and youth, the waiver allows Local Workforce Development Boards (Boards) in Texas to use a portion of the funds allocated under WIA, Sections 127, 128, 132, and 133 in the same manner and fashion as statewide activity funds are used under WIA, Sections 129 and 132 and 20 C.F.R. §667.130. The Secretary of Labor previously granted the waiver pursuant to its authority to waive for a state certain statutory and regulatory requirements, found in the WIA, §189(i)(4)(A)(i) and §29 U.S.C.A. §2939(i)(4)(A). This authority is further addressed at 20 C.F.R. §661.420.

Waiver Modification Request

Presently, the Local Activity Funds waiver is limited to 10 percent of each Board's Adult, Dislocated Worker, and Youth formula-allocated funds. The limit of 10 percent was established in DOL's waiver approval (*See Attachment 2*). TWC now requests that the limit be raised to 50 percent.

Texas is working hard to develop an employer-driven workforce system. As a consequence, TWC and the Boards are seeking opportunities to develop workforce solutions that address employers' needs for qualified workers. Under the current waiver, Boards are designing customized solutions to meet the skills needs of the employers in their local workforce development areas. However, these needs are frequently difficult to address with WIA formula funds because of the categorical nature of these funding streams. By raising the limit from 10 percent to 50 percent, Boards will have enhanced flexibility to designate additional formula funds as Local Activity Funds. This change will allow Boards greater opportunities to develop and implement innovative service strategies to meet the specific skills demands of business and industry to be competitive in the 21st century economy.

Description of the Individuals Affected by the Waiver

Increasing the percentage of funds that may be designated by Boards as Local Activity Funds will benefit employers, incumbent workers, job seekers, and youth. For example, many employers consider WIA services to be overly bureaucratic or process oriented, thus making it unattractive for them to turn to the workforce system for employment assistance. In fact, employers' needs often cannot be addressed by the categorical eligibility

requirements in WIA Adult, Dislocated Worker, or Youth funding. By using Local Activity Funds, Boards will have the added flexibility from statutory requirements placed upon the formula funds, enabling them to better address employers' distinct and emergent needs.

This change will afford Boards the opportunity to engage more employers in high-growth, high-demand industry sectors, as the Boards will have strengthened ability to be responsive to employers in tailoring their employment solutions. Additionally, the greater flexibility and increase in amount of Local Activity Funds potential will allow Boards to partner with faith-based and community-based organizations, which are often discouraged from working with the workforce system because of complicated eligibility requirements relative to the funding. Furthermore, the waiver will encourage the Boards to partner with more employers, as well as labor and community organizations, in order to promote universal access to one-stop system services.

The State will ensure that Boards do not dilute services to Adults, Dislocated Workers or Youth. Texas intends to meet all required performance measures for Adults, Dislocated Workers, and Youth.

Goals To Be Achieved by the Waiver

Since TWC's implementation of the Local Activity Funds waiver on October 3, 2003, Boards have submitted 19 requests to access Local Activity Funds for projects tailored to meet the needs of employers and residents in their local workforce development areas. Many of the requests are for the upgrading of the skills of incumbent workers or for other non-income-eligible trainees. Other projects target youths for employment in the health care arena.

A review of Board's Local Activity Funds initiatives for Program Years 2003 and 2004 shows the following results:

- 717 individuals have received or are currently receiving training
- Six of the 19 Local Activity Funds projects are focusing on enhanced employer services or building staff understanding and capacity to serve employers
- Two of the 19 projects are establishing online registered nurse degree programs

Local Activity Funds projects that increase the number of individuals in training support the President's vision to improve flexibility for states in administering our nation's job training programs and to double the number of workers receiving training. In addition, DOL, in its Planning Guidance and Instructions for WIA State Plans, emphasizes the need for the workforce system to be demand driven. By raising the cap on Local Activity Funds transfers to 50 percent, DOL can provide Texas Boards with additional resources needed to meet the needs of area employers, incumbent workers, job seekers, and youth, and to design and implement employer-driven solutions to help our state and nation remain competitive in the global marketplace.

Programmatic Outcomes

Local Activity Funds projects will enhance the Board's overall program design and activities in the local workforce development area. Currently, Local Activity Funds serve multiple purposes, and increasing the percentage of formula funds that may be classified as Local Activity Funds will afford Boards greater flexibility to address specific employers' needs. For example, a Board may have available WIA Adult or Dislocated Worker funds, but due to the current 10 percent limit, are unable to dedicate those available resources to design and deliver innovative employer-driven solutions.

Under the requested waiver modification, Boards will continue to be held accountable for meeting all WIA performance targets. Board performance and expenditures of the formula funds must be satisfactory before the expanded transfer authority allowed under the new waiver will be granted by the state.

Board requests to use formula funds as Local Activity Funds must include a description of the projects, services, and activities that will be provided with these funds, in addition to projected performance outcomes.

TWC's case management and reporting system for employment and training services, The Workforce Information System of Texas (TWIST), is used to track service activity and performance reporting. TWIST will continue to be used for both formula funds and Local Activity Funds. TWC contract managers will utilize TWIST to monitor service levels and performance outcomes.

State or Local Statutory or Regulatory Barriers

There are no state or local statutory or regulatory barriers to implementing the requested waiver.

Opportunity for Public Comment

TWC considered and approved the proposed waiver during its April 26, 2005, meeting, which was open to the public. Subsequently, the proposed waiver was circulated to the Boards and other stakeholders and posted on TWC's Web site for public comment. The waiver was also discussed during a biweekly conference call with the Boards.

No comments were received regarding this waiver.

Describe the Processes Used To Monitor the Progress of Implementing the Waiver

TWC's monitoring and performance accountability system measures results for employers and other customers of the Texas workforce system. Moreover, TWC continuously analyzes performance reports and compares actual performance with contract targets. TWC will continue to make adjustments to monitoring performance requirements to ensure that performance goals and objectives are met for WIA services, including services created by the use of the waiver. Further, TWC will monitor progress under the waiver through review of monthly expenditure and performance reports submitted by the Boards and through its monitoring and performance accountability system.

Attachment 1:



Local Activity Waiver Submission.pdf

Attachment 2:



Local Activity Waiver Approval.August 2003.pdf

**STATE OF TEXAS
WAIVER REQUEST
WORK OPPORTUNITY TAX CREDIT**

Alternative Methods of Application Submission

Statutory and Regulatory Provisions To Be Waived

The Texas Workforce Commission (TWC) requests a waiver of the policy contained in the U.S. Department of Labor (DOL) Employment and Training Administration Handbook No. 408, Third Edition, November 2002 (Handbook), at Section VII, page VII-1, relating to the requirement to submit Work Opportunity Tax Credit (WOTC) and Welfare-to-Work Tax Credit (WtWTC) applications with an original signature. TWC makes the request pursuant to the Secretary of Labor's authority to waive general and regulatory requirements under Workforce Investment Act (WIA) §189(i)(4)(A)(i), 29 U.S.C.A. §2939(i)(4)(A)(i).

Waiver Request

TWC proposes that DOL permit alternative methods of submission under the application and certification procedures for WOTC and WtWTC. While Section VII (certification process) of the Handbook requires employers to submit paper copies of the WOTC/ WtWTC application (Form 8850) with an original signature, TWC appreciates DOL's flexibility to follow a 2002 Internal Revenue Service (IRS) ruling that grants employers and their consultants the option to file the Form 8850 electronically. TWC appreciates that DOL has allowed states to establish an alternative method for submitting Form 8850 through an electronic submission. TWC seeks additional flexibility to allow other methods of submissions, such as:

- faxed Transmissions; and
- e-mailed transmissions of portable document format (PDF) files

Description of the Individuals Affected by the Waiver

Texas is striving to make its workforce system more employer driven and employer friendly. Allowing the use of alternative methods of submission will lessen the administrative burden on employers and will result in increased use of WOTC and WtWTC by Texas employers. In addition, TWC will be able to achieve cost savings through improved administrative efficiencies that can be directed back into services for the additional employers that will be applying for tax credits under the improved system.

Goals To Be Achieved by the Waiver

- **Reduced burden on employers**
The waiver will eliminate the unnecessary and costly burden on employers of mailing paper documents to request tax credits, and will promote a more efficient and effective interaction between businesses and state government. Moreover, the delay from the usage of regular mail service will be shortened, allowing TWC to commence processing applications more quickly.

**STATE OF TEXAS
WAIVER REQUEST
WORK OPPORTUNITY TAX CREDIT**

Second Review

Statutory and Regulatory Provisions To Be Waived

The Texas Workforce Commission (TWC) requests a waiver of the policy contained in the U.S. Department of Labor (DOL) Employment and Training Administration Handbook No. 408, Third Edition, November 2002 (Handbook), at Section VII, page VII-18, relating to the requirement to conduct a second review (quality review) of 100 percent of the certifications and/or denials issued under the Work Opportunity Tax Credit (WOTC) and the Welfare-to-Work Tax Credit (WtWTC) programs. TWC makes this request pursuant to the Secretary of Labor's authority to waive general and regulatory requirements under Workforce Investment Act (WIA) §189(i)(4)(A)(i), 29 U.S.C.A. §2939(i)(4)(A)(i).

Waiver Request

TWC requests a waiver of the Handbook requirements under Section VII (certification process, page VII-18) for a second review of 100 percent of the certifications and denials issued. TWC seeks to replace the 100 percent requirement with a 10 percent monthly review sample, consistent with DOL's requirement for a 10 percent sample in quarterly reviews. The large number of applications for WOTC and WtWTC (over 110,000 in Fiscal Year 2004) has created a burden on staff to fulfill the requirements of a second full review on every application. TWC performs approximately 400 second reviews on a daily basis; however, the error rate is minimal, between 0.004 and 0.025 percent. TWC assures DOL that initial certifications for the tax credits will continue to be consistent with current DOL requirements.

The purpose of the waiver is to gain administrative efficiencies, resulting in more effective management of federal program funds and maximizing TWC's service provision, program performance, and responsiveness to employers. Additionally, as a result of the waiver, the time for processing certifications will be shortened, thus providing a streamlined and efficient experience for employers. As Texas moves toward a more employer-driven workforce system, TWC is reviewing its policies and procedures to identify enhancements that will make its system more attractive for employers to use.

Description of the Individuals Affected by the Waiver

TWC staff that provides certification services will be able to meet the needs of employers on a more timely basis. Certifications will be acted upon immediately following the initial review and will not be delayed for action at some later date when the second review is completed.

Goals To Be Achieved by the Waiver

- **Tax relief for employers as a result of the increased use of WOTC and WtWTC programs**

Texas employers will experience tax savings through the increased use of the more streamlined and efficient WOTC and WtWTC programs, providing these businesses with added resources to expand their companies, hire new employees, or meet other needs. An increased use of the tax credit program over the next several years is anticipated as TWC and the Local Workforce Development Boards, through the Business Services Units, continue to outreach employers, and satisfied employers endorse and promote the benefits of the tax credits among their fellow businessmen and women.

- **Improved administrative efficiencies**

Approval of the waiver will serve to streamline and minimize administrative procedures by decreasing the time frame required to process the tax certifications. The projected cost savings will be used to create a more efficient and effective experience for employers that apply for the tax credits, resulting in improved levels of responsiveness to employers. New levels of responsiveness will add further incentive for employers to utilize the WOTC and WtWTC programs, as well as other workforce services in the one-stop system.

Programmatic Outcomes

The waiver will streamline administrative practices, which will allow for greater efficiency in meeting the workforce development needs of employers. Employers that are pleased with the efficiency of the workforce system are more likely to return to address their future needs. Approval of the waiver will result in a reduction of administrative processes, while maintaining an extremely low error rate through the use of a 10 percent monthly random sampling.

State or Local Statutory or Regulatory Barriers

There are no state or local statutory or regulatory barriers to implementing the requested waiver. TWC rules and policy statements are in compliance with current federal law.

Opportunity for Public Comment

TWC considered and approved the proposed waiver during its April 26, 2005, meeting, which was open to the public. Subsequently, the proposed waiver was circulated to the Boards and other stakeholders and posted on TWC's Web site for public comment. The waiver was also discussed during a biweekly conference call with the Boards.

No comments were received regarding this waiver.

Describe the Processes Used To Monitor the Progress of Implementing the Waiver

The Handbook currently requires a quarterly audit based upon a 10 percent random sample of the total number of certifications and denials. TWC proposes to conduct and monitor a 10 percent monthly random sample.

**STATE OF TEXAS
WAIVER REQUEST
WORKFORCE INVESTMENT ACT**

Dislocated Worker Waiver

Statutory and Regulatory Provisions To Be Waived

The Texas Workforce Commission (TWC) requests a waiver of Workforce Investment Act (WIA) §128(a) relating to the requirement that the state may reserve no more than 15 percent of the WIA Dislocated Worker funds for Statewide Activities.

TWC makes this request pursuant to the Secretary of Labor's authority to waive for a state certain statutory and regulatory requirements found in the WIA§189(i)(4)(A)(i), 29 U.S.C.A. §2939(i)(4)(A)(i). This authority is further addressed at 20 C.F.R. §661.420.

Waiver Request

TWC requests the waiver to allow the Governor to increase from 15 percent to 20 percent the amount of WIA Dislocated Worker funds, allotted to states under WIA §132(b)(2)(B), that may be reserved as Statewide Activity funds. This would not impact the requirement for 60 percent of the state's WIA Dislocated Worker funds to be allocated to the workforce development areas, as required by WIA §133(b)(1)(B). The remaining 20 percent, of the WIA Dislocated Worker allotment, may be reserved for Statewide Rapid Response Activities under WIA §133(a)(2).

Although the effect of this waiver will be to reduce the maximum amount the state may set aside for Statewide Rapid Response activities from 25 to 20 percent, the state does not seek to waive its responsibilities related to Rapid Response activities. TWC currently allocates over 80 percent of the Dislocated Worker formula funds for eligible activities, such as Rapid Response, although a small portion is retained by the State for use as additional assistance, when needed. Because of the improving Texas economy, the number of layoffs has decreased and, as a result, so has the demand for Rapid Response services. TWC is recognizing that now there is a greater need to provide training to upgrade workers' skills and avoid future layoffs.

The purpose of the waiver is to increase flexibility, thus providing the Texas workforce system with additional opportunities to maximize training services that meet the skill needs of employers, job seekers, and incumbent workers for the jobs of the 21st century.

In March 2005, President Bush highlighted his proposal to increase flexibility in our nation's job training programs in order to double the number of workers receiving job training. The President's proposal focuses on ensuring that every adult can access the skills and knowledge needed to succeed in the workplace of today and tomorrow.

By allowing an increase of five percent of the state's Dislocated Worker funds to be designated for use as WIA Statewide Activity funds, additional flexibility will be gained to

Opportunity for Public Comment

TWC considered and approved the proposed waiver during its May 3, 2005 meeting, which was open to the public. Subsequently, the proposed waiver was circulated to the Boards and other stakeholders and posted on TWC's Web site for public comment. The waiver was also discussed during a biweekly conference call with the Boards.

No comments were received regarding this waiver.

Describe the Processes Used to Monitor the Progress of Implementing the Waiver

TWC's monitoring and performance accountability system measures results for employers and other customers of the Texas workforce system. Moreover, TWC continuously analyzes performance reports and compares actual performance with contracted targets. TWC will continue to make adjustments to monitoring performance requirements to ensure that performance goals and objectives are met for WIA services, including services created through the use of the waiver. Furthermore, TWC will monitor progress under the waiver through review of monthly expenditure and performance reports and through its monitoring and performance accountability system.

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**STATE OF TEXAS
WAIVER REQUEST
WORKFORCE INVESTMENT ACT**

Local Activity Funds

Statutory and Regulatory Provisions To Be Waived

The Texas Workforce Commission (TWC) requests a waiver that in essence builds upon the currently approved Local Activity Funds waiver (*See* Attachment 1). On August 19, 2003, the Department of Labor (DOL) granted TWC a waiver from the provisions of the Workforce Investment Act (WIA), Sections 129 (Use of Funds for Youth Activities) and 134 (Use of Funds for Employment and Training Activities), and from the provisions of 20 C.F.R. §663.145 and §664.410.

To meet the changing and emergent needs of Texas employers, incumbent workers, job seekers, and youth, the waiver allows Local Workforce Development Boards (Boards) in Texas to use a portion of the funds allocated under WIA, Sections 127, 128, 132, and 133 in the same manner and fashion as statewide activity funds are used under WIA, Sections 129 and 132 and 20 C.F.R. §667.130. The Secretary of Labor previously granted the waiver pursuant to its authority to waive for a state certain statutory and regulatory requirements, found in the WIA, §189(i)(4)(A)(i) and §29 U.S.C.A. §2939(i)(4)(A). This authority is further addressed at 20 C.F.R. §661.420.

Waiver Request

When DOL approved Texas' prior waiver request, as noted above, it established a cap of 10 percent on the amount of each Board's Adult, Dislocated Worker, and Youth formula funds that could be designated for the purpose of Local Activity Funds. TWC now requests a new waiver to permit the Boards to set aside as much as 50 percent as Local Activity Funds.

Texas is working hard to develop an employer-driven workforce system. As a consequence, TWC and the Boards are seeking opportunities to develop workforce solutions that address employers' needs for qualified workers. Under the current waiver, Boards are designing customized solutions to meet the skills needs of the employers in their local workforce development areas. However, these needs are frequently difficult to address with WIA formula funds because of the categorical nature of these funding streams. By allowing Boards to designate up to 50 percent of each funding stream as Local Activity Funds, DOL will provide the Boards with enhanced flexibility to develop an employer-driven system customized to meet local business needs. This change will allow Boards greater opportunities to develop and implement innovative service strategies to meet the specific skills demands of business and industry to be competitive in the 21st century economy.

Description of the Individuals Affected by the Waiver

Increasing the percentage of funds that may be designated by Boards as Local Activity Funds will benefit employers, incumbent workers, job seekers, and youth. For example, many employers consider WIA services to be overly bureaucratic or process oriented, thus making it unattractive for them to turn to the workforce system for employment assistance. In fact, employers' needs often cannot be addressed by the categorical eligibility requirements in WIA Adult, Dislocated Worker, or Youth funding. By using Local Activity Funds, Boards will have the added flexibility from statutory requirements placed upon the formula funds, enabling them to better address employers' distinct and emergent needs.

This change will afford Boards the opportunity to engage more employers in high-growth, high-demand industry sectors, as the Boards will have strengthened ability to be responsive to employers in tailoring their employment solutions. Additionally, the greater flexibility and increase in amount of Local Activity Funds potential will allow Boards to partner with faith-based and community-based organizations, which are often discouraged from working with the workforce system because of complicated eligibility requirements relative to the funding. Furthermore, the waiver will encourage the Boards to partner with more employers, as well as labor and community organizations, in order to promote universal access to one-stop system services.

The State will ensure that Boards do not dilute services to Adults, Dislocated Workers or Youth. Texas intends to meet all required performance measures for Adults, Dislocated Workers, and Youth.

Goals To Be Achieved by the Waiver

Since TWC's implementation of the Local Activity Funds waiver on October 3, 2003, Boards have submitted 19 requests to designate Local Activity Funds for projects tailored to meet the needs of employers and residents in their local workforce development areas. Many of the requests serve to upgrade the skills of incumbent workers or other individuals that do not meet categorical restrictions. Other projects target youths for employment in the health care arena.

A review of Board's Local Activity Funds initiatives for Program Years 2003 and 2004 shows the following results:

- 717 individuals have received or are currently receiving training
- Six of the 19 Local Activity Funds projects are focusing on enhanced employer services or building staff understanding and capacity to serve employers
- Two of the 19 projects are establishing online registered nurse degree programs

The ability for Boards to set aside additional formula funds as Local Activity Funds not only increases their flexibility to meet employers' existing skill demand needs, but will enable Boards the flexibility to meet emergent needs. This potential furthers the national and state priorities of establishing and maintaining the "pipeline" of skilled workers from which employers can draw the workers qualified for the jobs of the 21st century economy. Moreover, the increased flexibility also furthers the reforms initiated through WIA including integrated, seamless service delivery; a demand-driven workforce system; and

maximum flexibility in tailoring service delivery and making strategic investment in workforce development activities to meet the needs of state and local economies and labor markets.

While the current waiver designating up to 10 percent of Adult, Dislocated Worker and Youth formula funds has been helpful. Boards sometimes have necessary commitments that prohibit them from setting aside a full 10 percent of each funding stream for Local Activity projects, thus limiting the amount of flexible funds available through the present Local Activity Funds waiver. Approval of this new waiver will increase the Board's flexibility to use more of a particular funding stream as Local Activity Funds, based on the needs of the employers and residents in the workforce area, without negatively affecting specific population demands and commitments.

For example, a Board may choose not to designate any of its WIA youth funds as Local Activity Funds, because it is committed to funding existing projects, such as meeting the needs of foster care youth. In addition, the Board may have already reached its 10 percent limit on designating Dislocated Worker funds as Local Activity Funds. With the additional flexibility granted by this waiver, the Board would be able to increase the percentage of available Dislocated Worker funds that may be designated as Local Activity Funds to meet the critical needs of employers. By increasing the amount of Local Activity Funds available, a Board can provide more innovative and customized services, such as providing layoff aversion. Texas has had instances of a manufacturer closing an entire line of products, laying off hundreds of workers. With the addition of new skills, especially upgrading technological skills, the employer was able to retain these employees and avert a potential layoff. TWC believes many Texans' skills need to be upgraded in order for them and their employers to be competitive in the 21st century economy.

Earlier in this State Plan, Texas identified the skills gap that exists with many of its residents, thus creating some difficulty for employers seeking qualified workers to compete in the evolving global marketplace. Technology skills are critically needed, especially for those individuals whose native language may not be English. Special projects are needed to close this gap.

Local Activity Funds projects that increase the number of individuals in training support the President's vision to improve flexibility for states in administering our nation's job training programs and to double the number of workers receiving training. The President's vision focuses on ensuring that every individual can access the skills and training needed to succeed in the workplace. In addition, DOL, in its Planning Guidance and Instructions for WIA State Plans, emphasizes the need for the workforce system to be demand driven. By approving a new waiver that would in essence raise the cap on the Boards' ability to designate up to 50 percent of each WIA formula fund as Local Activity Funds, DOL will provide Texas Boards with additional resources needed to meet the needs of area employers, incumbent workers, job seekers, and youth, and to design and implement employer-driven solutions to help our state and nation remain competitive in the global marketplace.

Programmatic Outcomes

Local Activity Funds projects will enhance the Boards overall program design and activities in the local workforce development area. Currently, Local Activity Funds serve multiple purposes, and increasing the percentage of formula funds that may be classified as Local Activity Funds will afford Boards greater flexibility to address specific employers' needs. For example, a Board may have available WIA Adult or Dislocated Worker funds, but due to the current waiver's limit of 10 percent, the Board is unable to dedicate those available resources to design and deliver innovative employer-driven solutions.

Under the requested waiver, Boards will continue to be held accountable for meeting all WIA performance targets. Board performance and expenditures of the formula funds must be satisfactory before the authority to designate any amount of formula funds as Local Activity Funds allowed under the new waiver will be granted by the state.

Board requests to TWC to designate formula funds as Local Activity Funds must include a description of the projects, services, and activities that will be provided with these funds, in addition to projected performance outcomes.

TWC's case management and reporting system for employment and training services, The Workforce Information System of Texas (TWIST), is used to track service activity and performance reporting. TWIST will continue to be used for both formula funds and Local Activity Funds. TWC contract managers will utilize TWIST to monitor service levels and performance outcomes.

State or Local Statutory or Regulatory Barriers

There are no state or local statutory or regulatory barriers to implementing the requested waiver.

Opportunity for Public Comment

TWC considered and approved the proposed waiver during its April 26, 2005, meeting, which was open to the public. Subsequently, the proposed waiver was circulated to the Boards and other stakeholders and posted on TWC's Web site for public comment. The waiver was also discussed during a biweekly conference call with the Boards.

No comments were received regarding this waiver.

Describe the Processes Used To Monitor the Progress of Implementing the Waiver

TWC's monitoring and performance accountability system measures results for employers and other customers of the Texas workforce system. Moreover, TWC continuously analyzes performance reports and compares actual performance with contract targets. TWC will continue to make adjustments to monitoring performance requirements to ensure that performance goals and objectives are met for WIA services, including services created by the use of the waiver. Further, TWC will monitor progress under the waiver through review of monthly expenditure and performance reports submitted by the Boards and through its monitoring and performance accountability system.

Revised submission on local activity funds waiver request



Attachment 1:

Local Activity Waiver Submission.pdf



Attachment 2:

Local Activity Waiver Approval.August 2003.pdf

REQUEST FOR EXTENSION OF TEXAS' CURRENT WAIVERS

The Texas Workforce Commission (Commission) continually challenges staff to identify federal laws, regulations, and policies that impede successful achievement of workforce development goals.

To make the best use of resources, Texas continues to take advantage of federal waiver opportunities to seek relief from provisions that restrict flexibility and creativity or do not make efficient use of staff time.

Texas has developed waiver requests covering a broad array of workforce issues. These waivers were developed with Local Workforce Development Boards (Boards) and other stakeholders. These waivers (detailed below) requested authority to:

- increase local control of program delivery;
- improve the ability of Boards to respond quickly to changing needs within their areas;
- increase flexibility at the local level to serve business and industry;
- eliminate duplication and streamline administrative processes, allowing more money for services; and
- increase accountability at the state, local, and service provider levels.

The Commission requests that the U. S. Department of Labor (DOL) extend Texas' current waivers until such time as Congress reauthorizes, and DOL implements, new workforce legislation. Texas has implemented waivers to:

1. change the required 50 percent employer match for customized training to a match based on a sliding scale;
2. relieve the burden of subsequent eligibility requirements from many training providers, helping to ensure continued participation by training providers;
3. eliminate the 30 percent limitation on transferring WIA funds between Adult and Dislocated Worker programs, providing greater flexibility to Boards in designing and implementing WIA programs;
4. set aside the requirement to competitively procure occupational skills training providers for Older and Out-of-School Youth; and
5. allow Boards to use a designated portion of WIA formula funds as "Local Activity Funds."

Texas is awaiting feedback from DOL on the following waiver requests:

1. A waiver from WIA §136(c) to allow greater flexibility when contracting performance measures with the Boards. Section 136(b) of WIA provides that state performance measures for WIA shall consist of 17 specific core indicators of performance and customer satisfaction. Section 136(c) provides that local performance measures shall consist of the same core indicators of performance and customer satisfaction as the state. Specifically, the Commission is requesting the flexibility to modify Board performance measures.
2. A waiver of the WIA statutes relating to the redistribution of recaptured local funds. The Commission proposes to base the redistribution of WIA funds on the

Commission's allocation rules (40 TAC §§800.51–800.75). The Commission ensures that financial reporting will be consistent with current DOL requirements and that federal funds will be effectively managed for maximum service provision and program performance.

The Commission is once again acting on requests from the Boards for more flexibility. In response, the Commission has developed the following waiver requests.